



College Community Redevelopment Project Area

Third Five-Year Implementation Plan (2004-2009)

**Adopted
September 7, 2004**

The Redevelopment Agency of the City of San Diego

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I. INTRODUCTION

This Third Implementation Plan (the “Plan”) is being prepared and adopted according to California Community Redevelopment Law. This Plan identifies project activities scheduled for the next five years, including Very Low, Low and Moderate income housing activities projected for the next ten years. Regarding Very Low, Low and Moderate income housing, it is anticipated that students residing within the Project Area will qualify for and occupy the majority of such units to be constructed. It is also anticipated that all statutory low and moderate income housing set-aside funds generated by this Project will be utilized for the provision of housing within the Project Area.

The College Community Redevelopment Project Area was adopted on November 30, 1993. The project was adopted to eliminate conditions of blight in the Project Area by new construction, revitalization, and upgrading of residential, commercial, office, and public properties and facilities within and surrounding the Project Area. The Redevelopment Plan will provide additional student housing directly adjacent to the San Diego State University campus in order to reduce traffic and parking problems created by commuting students and those students now housed in the surrounding neighborhoods which are poorly suited for this purpose.

The College Community Redevelopment Plan (the “CCRP”), which covers 131 acres in the College Area Community, was adopted to provide plan activities through June 30, 2033, and the repayment of debt from plan activities through June 30, 2043. The Project Area includes five Sub-Areas, located near the San Diego State University Campus in the College Area Community Planning Area. The five Sub-Areas include the Core, 55th Street, Alvarado Road, Lot A, and Montezuma School site.

Development of the entire Project Area is estimated to occur over approximately a thirty (30) year period. Development within the Redevelopment Project Area is planned to begin in the Core Sub-Area initially, and then include the other four Sub-Areas. According to the College Community Master Project Plan (MPP), development of each Sub-Area can only occur after the adoption of a specific design manual. To date, only the Core Sub-Area has such a design manual. In FY 2003, San Diego State University Foundation (Foundation) initiated the process of drafting a design manual for the Alvarado Road Sub-Area. Agency staff plan on issuing a Request for Proposals (RFP) in early FY 2005 to draft a design manual for 55th Street Sub-Area.

It is expected that the College Community Redevelopment Project Area Committee (PAC) will remain in effect through the life of this Plan. All project proposals will be brought to the PAC for their consideration and recommendation to the Agency Board.

II. DESCRIPTION OF PROJECT BLIGHTING CONDITIONS

Conditions of project blight within the Project Area will be addressed by the development of the proposed projects. The Project Area continues to exhibit blighting conditions, including the following (which are extracted from the CCRP): 1) Lots have been subdivided in an inadequate size for proper usefulness and development; 2) Inadequate public improvements exist throughout the area, including lack of open space for recreational purposes, an overburdened

traffic system, and inadequate public facilities; 3) There is a prevalence of depreciated values and impaired investments, and the project area exhibits social and economic maladjustment; 4) Property values have not kept pace with other areas of the City due to existing conditions, but are high enough to inhibit private investment without redevelopment assistance; 5) Structures are substantially older and in deteriorated condition; and 6) The development pattern of the area creates significant land use conflicts.

III. SPECIFIC GOALS AND OBJECTIVES OF THE AGENCY FOR THE PROJECT AREA

In general, the goals and objectives for the Project Area as stated in the CCRP are: 1) Eliminate and prevent the spread of blight and deterioration and conserve, rehabilitate and redevelop the Project Area in accord with the General Plan, specific plans, this Plan (CCRP) and local codes and ordinances; 2) Mitigate traffic and parking congestion within the Project Area and the surrounding neighborhoods through the provision of high quality housing and retail services in a pedestrian-oriented development directly adjacent to the San Diego State University campus; 3) Provide a living environment adjacent to the University which will attract University students who now commute to campus creating traffic and parking congestion or reside in single-family homes in neighborhoods adjacent to the campus which are ill suited for student housing purposes; 4) Achieve an environment reflecting a high level of concern for architecture, landscape, urban design and land use principles appropriate for attainment of the objectives of this Plan; 5) Create and develop local job opportunities and preserve the area's existing employment base; 6) Re-plan, redesign and develop areas which are currently stagnant or improperly utilized; and 7) Expand the community's supply of housing (inside or outside the Project Area), including opportunities for very low, low- and moderate-income households. The goals and objectives of the Project Area are discussed extensively in the "Report to City Council for the College Community Redevelopment Project" (Report), which was prepared for the October 12, 1993, Joint Public Hearing of the City Council and Redevelopment Agency of the City of San Diego regarding the CCRP. The objectives of this Plan are consistent with the information provided in the Report. A copy of the Report is on file with the Office of the City Clerk of the City of San Diego.

These specific goals and objectives as noted above would continue during the five years represented by this Third Implementation Plan.

IV. SPECIFIC PROJECTS AND RELATED ACTIVITIES CONDUCTED THROUGH THE LAST FIVE YEARS

Through the duration of the 2nd Five Year Implementation Plan the following projects have been completed:

(1) **Piedra Del Sol**. A 66-unit, market-rate student housing project. This project was completed in August, 1999 and is located on the north side of Hardy Avenue between 55th Street and Campanile Drive. The developer of this project was the San Diego State University

Foundation (Foundation). This project is tax-exempt and therefore, does not produce tax increment to the Agency.

(2) **Fraternity Row.** An 8-house fraternity housing project with 62 market-rate student apartments. This project was completed in September 2002 and is situated on the corner of Hardy Avenue and 55th Street. The developer of this project was the Foundation. The apartments are tax exempt, therefore, only the fraternity houses produce tax increment to the Agency. The estimated net increase in assessed value is approximately \$3.3 million.

(3) **College Manor Phase 2.** A 59-unit, market-rate apartment project. This project was completed in August, 2002 and is located on the north side of Montezuma Road between 55th Street and Campanile Drive. The developer of this project was Mr. Aragon. This project is completely on the tax role and therefore, produces tax increment to the Agency. The estimated net increase in assessed value is approximately \$5 million.

All three of these projects are located within the Core Sub-Area and required no Agency assistance.

The following projects are under construction through FY 2004 and are expected to be completed in early FY 2005:

- (1) **College Manor Phase 3.** A 60-unit, market-rate apartment project. This project is the third and final phase of Mr. Aragon's 179-unit apartment development. This third phase will be situated between phases 1 and 2 along Montezuma Road between 55th Street and Campanile Drive. The estimated net increase in assessed value is approximately \$5.2 million.
- (2) **Sanctuary Suites & Retail.** A mixed-use project consisting of 11 market-rate rental units built atop 1,800 estimated square feet of retail space which will likely house a restaurant. The developer's of this project are property owners Harold and Carrie Webber. The project is located along the north side of Hardy Avenue between Campanile drive and College Avenue. The estimated net increase in assessed value upon project completion is \$2 million.

Both of these projects are located within the Core Sub-Area and required no Agency assistance.

Through the duration of the 2nd Five Year Implementation Plan the Agency conducted Owner Participation (OP) processes for the following projects:

- (1) **The proposed The Paseo Project.** This mixed-use project proposed by the Foundation consists of 461 apartment units, 100,000 square feet of office space, 250,000 square feet of retail space, and a 1,950 space subterranean parking garage. The end result of an exhaustive OP process was an Exclusive Negotiating Agreement with the Foundation for the proposed The Paseo Project. The footprint of this proposed project is approximately 11 acres and is generally bounded by the

SDSU campus to the north, Montezuma Road to the south, Campanile Drive to the west, and ½ block east of College Avenue to the east. The Agency expects to enter into a DDA for the proposed The Paseo Project in November, 04. Although the residential and office elements of the project are campus-serving and likely to be tax-exempt, the retail element is expected to produce tax increment. The increase in assessed value to the Project Area is approximately \$67.5 million.

- (2) **The proposed Aztec Inn Project.** The Foundation had requested an ENA with the Agency for their proposed Aztec Inn Project, a four-story, 74-room hotel to be situated at the northwest corner of Montezuma Road and Campanile Drive. After conducting an OP process for the project, a competing proposal for the same site was also brought forward. This competing proposal, Gateway Village Apartments, along with the proposed Aztec Inn, was scheduled to be considered by the Agency in September, 2003. Since then, the Gateway Village Apartments proposal has been withdrawn. The increase in assessed value from this project has not been determined at this time. The Foundation will seek tax-exemption for the portion of the Project that will house the SDSU's Elderhostel Program. Construction of the proposed Aztec Inn Project could commence in early FY 2005.
- (3) **The proposed Lindo Paseo Properties Project.** Mr. Aragon requested an ENA with the Agency to develop as many as 14 parcels along the south side of Lindo Paseo from 55th Street east. The development could include up to 149 apartment units with a mix of market-rate and affordable units. As proposed, this project would increase the assessed value by approximately \$16 to \$18 million. The Agency conducted an OP process in response to Mr. Aragon's request. The Agency received three competing proposals. Consideration of these proposals has been delayed due to the fact that the proposals are for parcels within the Fraternity Designated Area. According to the MPP, any new development within this area must be convertible to fraternity use. Agency staff has undertaken the process of adopting convertibility standards through a series of public workshops. Once these standards are adopted, proposals will be evaluated to determine if they meet the convertibility standards. These standards are expected to be adopted in early FY 2005.
- (4) **The proposed Religious Centers Project.** The Foundation requested an ENA with the Agency for their proposed Religious Centers Project. This project could serve as the permanent relocation site for all five of the religious centers within the Core Sub-Area. The proposal would house the Wesley Foundation and Lutheran Center on Hardy Avenue and house the Latter day Saints and Hillel on Lindo Paseo. It is unclear at this time if The Newman Center will relocate within the proposed The Paseo Project or onto Lindo Paseo. The Agency received two competing proposals from property owners. One proposal was from The Wesley Foundation. They indicated their desire to relocate to three parcels on Hardy Avenue. The Foundation's proposal was for only two parcels for Wesley. The other competing proposal was from a property owner who is interested in developing a residential project in two phases. This proposal, called Plaza Linda, would include the permanent relocation of Alpha Gamma Omega Fraternity and twelve (12) 6 bedroom, 4 bathroom units in

Phase 1. Phase 2 is proposed to include thirteen (13) 6 bedroom, 4 bathroom units. Agency staff would like to explore this development concept in further detail.

V. SPECIFIC PROJECTS AND EXPENDITURES PROPOSED TO BE MADE DURING THE NEXT FIVE YEARS

A. Estimated Tax Increment

Tax increment growth over the five years of this Plan, which is (conservatively) based upon recently updated financial projections and dependent upon new development, is estimated as follows for the five years of this Plan:

FISCAL YEAR	DISCRETIONARY TAX INCREMENT	LOW/MOD HOUSING SET-ASIDE TAX INCREMENT
2005	\$216,130	\$65,457
2006	\$244,718	\$73,920
2007	\$738,727	\$228,637
2008	\$759,216	\$234,978
2009	\$780,114	\$241,447

These estimates will depend upon the extent to which the Work Program described in this Plan is implemented. Total Tax Increment which may be allocated to the Redevelopment Agency for this Project shall not exceed \$307,000,000. Increased tax increment revenues beyond this amount are highly unlikely.

Twenty percent (20%) of each annual total allocation will be set-aside in the Housing Fund for the development of housing. In accordance with applicable City Council Resolutions and Agency agreements with taxing agencies, additional shares of tax increment are to be distributed to the following local taxing entities:

Taxing Entity	Tax Sharing Agreement		
	Annual t.i. less than \$1 million	Annual t.i. between \$1 million and \$3 million	Annual t.i. greater than \$3 million
San Diego County Office of Education	.16%	.16%	.28%
San Diego Unified School District	3.57%	3.57%	7.15%
San Diego Community College District	.65%	.65%	1.16
County of San Diego	8%	11%	13%

A portion of tax increment will be used to pay State mandated obligations to the Educational Revenue Augmentation Fund (ERAF); \$19,867 is budgeted for Fiscal Year 2005. The impact

on available funds by ERAF in future years is unknown, however it is assumed to continue at the current level.

The Agency is committed (to the extent financially feasible) to assisting with the implementation of these projects and successfully achieving the goal of this Plan.

B. FIVE YEAR PROJECTS SCHEDULE

Fiscal Year 2005 Work Program

The proposed The Paseo mixed-use Project - A Disposition and Development Agreement (DDA) for the proposed The Paseo mixed-use Project is expected to be completed in FY 2005. Construction of The Paseo is expected to begin in late FY 2005.

Student Health Services - It is expected that construction on the new Student Health Services Center will begin. This project will relocate the older, dilapidated Student Health Services Center which is currently located along the east side of Campanile Drive and within the footprint of the proposed The Paseo Project to the north side of Hardy Avenue west of Campanile Drive. There is no Agency assistance with this project. Due to the campus-serving nature of this project, Agency does not anticipate any tax-increment from this project. The new Student Health Services Center will displace the Theta Chi Fraternity House.

Theta Chi Fraternity House – No proposal has been received by the Agency to date. However, it is expected as part of the Student Health Services project that this fraternity will be displaced. It is expected that the Theta Chi Fraternity will relocate into a newly constructed facility within the Fraternity Designated Area. One site that has been identified is the first two parcels along the south side of Lindo Paseo going east from 55th Street. Agency assistance may be required for this relocation.

Religious Centers - It is expected that all five Religious Centers will be built along different schedules. The most likely location for each of the religious centers is listed below:

Wesley Foundation will likely relocate to a new facility on three parcels on the north side of Hardy Avenue, beginning at Campanile Drive and continuing west.

The Lutheran Center will likely relocate to the north side of Hardy Avenue onto the fourth parcel west of Campanile Drive (immediately west of the Wesley Foundation).

The Latter Day Saints (LDS) will likely relocate to three parcels on the south side of Lindo Paseo, beginning with the corner parcel at Lindo Paseo and Campanile Drive and continuing west.

Hillel will likely relocate to the fourth and fifth parcels west of Campanile Drive on the south side of Lindo Paseo (immediately west of LDS).

The Newman Center is considering two options for their permanent relocation. The first is a store-front on the ground floor of the proposed The Paseo Project. The other option is a stand-alone facility on the sixth and seventh parcels west of Campanile Drive on the south side of Lindo Paseo.

The Agency may enter into an ENA with the Foundation in July 2004 for the Religious Centers. In accordance with the Agency's agreement with these Religious Centers, a separate Relocation Agreement must be reached between the Religious Center and the Agency or the Agency's designated Redeveloper. If the Agency enters into an ENA with the Foundation for the Religious Centers, the Agency will designate the Foundation as Redeveloper. These Relocation Agreements are anticipated to be completed in FY 2005.

55th Street RFP - An RFP for the 55th Street Sub-Area Design Manual is expected to be completed and distributed.

The proposed Aztec Inn Project - Construction on the proposed 74-room Aztec Inn Project at the northwest corner of Montezuma Road and Campanile Drive could begin. Agency participation is not anticipated at this time. The estimated development cost of Aztec Inn is \$11,000,000. The amount of tax increment that will be generated if this project goes forward is unknown.

Fraternity/Sorority Convertibility Standards – In FY 2004 Agency staff began hosting a series of community workshops and created a stakeholder committee in order to assist staff address the issue of proposed development within the Fraternity and Sorority Designated Areas. Agency staff's goal is to develop convertibility standards for both sorority and fraternity housing which will be brought forward for approval by the City Council in early FY 2005. These standards are necessary before residential projects within the Sorority Designated Area and Fraternity Designated Area can be approved.

Sorority Designated Area – Following approval by City Council of convertibility standards for the Sorority Designated Area, Agency staff may issue an RFP for development proposals for parcels within the Sorority Designated Area.

Lindo Paseo Residential - A DDA for high-density residential units that meet the Fraternity Convertibility Standards for the south side of Lindo Paseo may be completed.

Plaza Linda, Phase 1 – Construction of Phase 1 of the proposed Plaza Linda Project could commence. If constructed, phase 1 of this project would be located at 5649 and 5665 Lindo Paseo (8th and 9th parcels west of Campanile Drive on the south side of Lindo Paseo). Phase 1 would include the permanent relocation of the Alpha Gamma Omega fraternity (currently located at 5675 Lindo Paseo which is the 7th parcel west of Campanile Drive on the south side of Lindo Paseo). It would also include twelve 2-story, 6 bedroom, 4 bathroom residential units. The estimated net increase in assessed value is \$4 million.

Sorority Row, Phase 1 - Construction is expected to begin on Sorority Row Phase I on the Herzman Property along the west side of College Avenue south of Montezuma Road. The proposed development consists of five sorority chapter houses and a total of 65 market-rate apartment units. The estimated development cost is \$25,000,000. Like Fraternity Row before it, the apartment units are expected to be tax-exempt and the Agency will only receive tax increment from the sorority chapter houses. The estimated increase in assessed value is approximately \$3.8 million.

The Alvarado Road Sub-Area Design Manual - is expected to be brought forth by the Foundation for approval by the City Council. This new design manual will allow development within the Alvarado Road Sub-Area to begin.

Fiscal Year 2006 Work Program

The Paseo - Construction of the proposed The Paseo Project is expected to continue through FY 2006.

Religious Centers - Construction on one or more Religious Centers Project(s) may begin in FY 2006.

Alvarado Phase I - a proposed project by the Foundation consisting of 100,000 square feet for research/office space. The project is proposed on Alvarado Road with an estimated development cost of \$30,000,000. Agency does not anticipate tax increment from this project given its university serving nature. Construction is anticipated to begin in early FY 2006.

55th Street Design Manual – It is expected that a design manual for the 55th Street Sub-Area will be completed and brought to the City Council for approval. Pending the outcome of this, new development for the 55th Street Sub-Area could begin in FY 2006. The Master Project Plan calls for high density residential for this sub-area. The scope of such a development could include up to 600 residential units, depending on the feasibility. These units are envisioned to serve University Faculty, staff, and graduate students. The development should be a mix of for-sale and rentable. The mix will likely include very low, low, and moderate income units as well as market-rate.

Free standing fraternity house(s) may begin construction within the Residential District of the Core Sub-Area. Alternatively, a newer development similar in nature to Fraternity Row may accommodate fraternities. Fraternities may also be accommodated by the high-density residential project anticipated for the south side of Lindo Paseo.

Lindo Paseo Residential – Construction of a high-density residential project that conforms to the fraternity convertibility standards could begin in early FY 2006.

Plaza Linda, Phase 1 – Construction of Phase 1 of the proposed Plaza Linda Project could be complete.

Plaza Linda, Phase 2 – Construction of Phase 2 of the proposed Plaza Linda Project could commence. If constructed, phase 2 of this project would be located at 5675 and 5691 Lindo Paseo (6th and 7th parcels west of Campanile Drive on the south side of Lindo Paseo). Phase 2 would include thirteen 2-story, 6 bedroom, 4 bathroom residential units. The estimated net increase in assessed value is \$5 million.

Fiscal Year 2007 Work Program

The Paseo mixed-use Project - Construction of the proposed The Paseo mixed-use Project is expected to be completed in early FY 2007.

Religious Center(s) - Construction of one or more Religious Centers Project(s) is expected to be completed.

Alvarado Phase I – Anticipate construction complete.

Alvarado Phase 2 – Alvarado Phase 2 is a proposed 145,000 square foot office/research space, proposed by the Foundation on Alvarado Road. The project has an estimated development cost of \$43,500,000. Anticipate construction to begin. Agency does not anticipate tax increment from this project given its' university serving nature.

55th Street RFP – Construction of new residential development within this sub-area could begin in FY 2007. Depending on the outcome of the RFP for development proposals as well as the initial RFP for the sub-area design manual, development could occur in phases.

Lindo Paseo - Construction of a high-density residential project that conforms to the fraternity convertibility standards could be completed in early FY 2006.

Plaza Linda, Phase 2 – Construction of Phase 2 of the proposed Plaza Linda Project could be complete.

Fiscal Year 2008 Work Program

Fraternity Row Phase II may be proposed by the Foundation within the Fraternity Designated Area. The proposed project consists of 3-4 fraternity houses with housing units. The estimated development cost is \$10,000,000.

Alvarado Phase 2 – Anticipate construction complete.

Alvarado Phase 3 – Alvarado Phase 2 is a proposed 145,000 square foot office/research space, proposed by the SDSU Foundation on Alvarado Road. The project has an estimated development cost of \$43,500,000. Anticipate construction to begin. Agency does not anticipate tax increment from this project given the university serving nature.

55th Street RFP – Construction of residential units brought forward through this RFP process will likely continue through FY 2008. If developed in phases, Phase 1 may be completed in FY 2008 with Phase 2 to beginning thereafter.

Fiscal Year 2009 Work Program

Alvarado Phase 3 – Anticipate construction complete.

Fraternity Row Phase III - 55th Street between Lindo Paseo and Hardy Ave and within the Fraternity Designated Area may be proposed by the Foundation. The proposal may consist of three fraternity houses with an estimated development cost of \$6,000,000.

24 Student Apartments on Hardy Avenue - Student Apartments may be proposed at 5706 Hardy Ave by the Foundation. The project could consist of 24 apartment units with an estimated cost of \$7,200,000.

Fraternity Phase IV - may be proposed by the SDSU Foundation on the south side of Lindo Paseo. The proposal could consist of 4-6 fraternity houses and housing units. The estimated development cost is \$10,000,000.

55th Street RFP – If development is phased, Phase 2 could begin construction in FY 2009.

VI. EXPLANATION OF HOW THE GOALS AND OBJECTIVES, PROJECTS AND EXPENDITURES WILL ELIMINATE PROJECT BLIGHTING CONDITIONS

The specific project blighting conditions of the Project Area are being addressed by current and future planned project activities. The planned College Community Redevelopment Projects listed in the above Work Programs will serve as a catalyst for further private and public investment within the Project Area. The proposed projects will provide housing opportunities for very low, low and moderate income individuals and will remove deficient structures and incompatible land uses from the Core Sub-Area. The Projects will replace a mix of incompatible and haphazard residential, office, and community-serving land uses in the Core, 55th Street and Alvarado Road Sub-Areas. The Projects will provide a new focus for housing and mixed-use activity as well as providing space for community-serving activities. The planned Projects will result in the relocation of up to five CCRC Religious Centers, and provide improved, appropriately designed sites for administering their services. The public improvements that will be funded through these Projects will correct a number of current parking and vehicular transportation problems, provide improved access through and within the Project Area and College Community, and visually improve the image of the community and Project Area. The planned projects will improve housing opportunities for students and relieve the ill suited residential or "mini-dorm" problems that exist in the community surrounding the Project Area. Planned future projects, beyond this five-year plan, will provide for development of the remainder of the Core Sub-Area and the three remaining Sub-Areas. These Projects include public improvements and will incrementally alleviate existing blighting conditions throughout the Project Area. An emphasis will be placed upon providing housing for University students and the creation of properly designed space for University-serving community services and retail activities. The on-going project goals and objectives will help ensure continued progress toward alleviation of existing project blighting conditions and will facilitate continued re-investment in the Project Area and surrounding community. Periodic reassessment of existing and planned projects, which include CACC and PAC input, will insure that the Redevelopment Plan achieves the objectives stated in Section III of this Plan.

VII. EXPLANATION OF HOW THE GOALS AND OBJECTIVES, PROJECTS AND EXPENDITURES WILL IMPLEMENT PROJECT HOUSING REQUIREMENTS AGENCY/CITY WIDE

A. Goals and Objectives

California's Community Redevelopment Law requires that not less than twenty percent (20%) of all tax increment generated by the project shall be used for the purpose of increasing the community's supply of very low, low and moderate income housing. Additionally, affordable dwelling units shall remain affordable for not less than the period of land use controls established in the project plan (currently 45 years for for-sale units and 55 years for for-rent units). The Redevelopment Project's on-going goal is to develop housing in compliance with current legislation and available Project resources.

B. Affordable Housing Need for the City of San Diego

The City of San Diego has just started working on the Housing Element for FY04-FY09 therefore the Implementation Plan will reflect the Housing Element information for FY99-FY04. It is anticipated that the City of San Diego's Affordable Housing Fair Share Goals for these years will be approximately the same.

The Fair Share Affordable Housing Needs for FY99-FY04 are as follows:

INCOME LEVELS	VERY LOW (<50% AMI)	LOW (<80% AMI)	MODERATE (80% TO 120% AMI)	MARKET (120%.AMI)
# OF UNITS NEEDED	7,463	6,797	9,137	16,388

It is anticipated that the City of San Diego will not meet the affordable housing fair share goals for FY99-FY04 based on the resources available to build the affordable housing units. The maximum feasible affordable housing units that can be produced based on the resources available for FY99-FY04 (i.e. subsidy, etc.) are:

INCOME LEVELS	VERY LOW (<50% AMI)	LOW (<80% AMI)	MODERATE (80% to 120% AMI)	MARKET (120%.AMI)
# OF UNITS NEEDED	1,780	1,788	8,892	15,332

According to the 2000 Census the population of the City of San Diego is 1,223,400 persons with 1,094,494, or 89.5% under the age of 65.

C. Agency Comprehensive Affordable Housing Strategy

City of San Diego Redevelopment Agency's Affordable Housing Program

The Redevelopment Agency, comprised of the City's Redevelopment Division, Centre City Development Corporation (CCDC) and Southeastern Economic Development Corporation (SEDC), has formed a collaborative with the San Diego Housing Commission to accelerate and encourage new affordable housing development citywide. In January 2003, leveraging Redevelopment set-aside funds, the collaborative issued a Notice of Funding Availability (NOFA) announcing the availability of \$55 million of secured assets to provide gap financing for very low, low and moderate income housing. The College Community Redevelopment Project Area, along with the 15 other redevelopment project areas in San Diego, is eligible to participate in this program both financially and with proposed projects. The Program has so far generated significant interest from developers, and as the funds are committed during 2004, the Agency will consider issuing another such notice perhaps by 2005.

VII. EXPLANATION OF HOW THE GOALS AND OBJECTIVES, PROJECTS AND EXPENDITURES WILL IMPLEMENT PROJECT HOUSING REQUIREMENTS THROUGHOUT THE PROJECT AREA

A. Low and Moderate Income Housing Fund

- Amounts Available to Housing Fund**

The College Community Redevelopment Project began generating tax increment in FY 1994. There is approximately \$250,000 available in the housing set-aside fund at the beginning of FY 2005.

Estimated Housing Set-Aside Funds

FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
\$65,457	\$73,920	\$228,637	\$234,978	\$241,447

These funds will be used to develop affordable housing within the Project Area and assist in funding the Collaborative effort.

- Projected Housing Units and Funds Expended**

Through the first 10 years of the College Community Redevelopment Project Area, no housing set-aside funds have been spent. The principal reason for this is that the funds have been insufficient to assist in any residential developments.

The following table indicates the residential projects that have been built or are under construction in the College Community Redevelopment Project Area and the number of affordable units the Agency is required to provide:

Developer Name	Development Name	Number of units built	Agency requirement
SDSUF	Piedra Del Sol	66	10
SDSUF	Fraternity Row	62	9
SDSUF	Sorority Row	65	10
Aragon	College Manor	179	27
Harold Webber	Sanctuary	11	2
	Total	383	58

B. Agency Developed and Project Area Housing

California Community Redevelopment Law requires that the Agency prepare an estimate of the number of new, rehabilitated and price-restricted dwelling units to be developed in the Project Area. These numbers also includes the inclusionary housing requirements: units for very low, low and moderate income households. The inclusionary housing requirements state that fifteen percent (15%) of all new or

rehabilitated dwelling units developed by public or private activities, other than the Agency, in a redevelopment project area should be affordable to low and moderate income households. Forty percent (40%) of the 15% inclusionary housing units shall be at affordability levels for very low income households.

For units developed by the Agency, thirty percent (30%) of all new and rehabilitated dwelling units shall be affordable for low and moderate Income households. Not less than fifty percent (50%) of the 30% affordable units shall be affordable to very low income households. The Agency is not expected to develop units itself, but will assist private entities and other public agencies with the development of housing. Therefore, the Agency will comply with the 15 percent requirement.

- **Estimates of the number of new, substantially rehabilitated or price-restricted residential units to be developed or purchased in the project area, both over the life of the plan and during the next 10 years.**

The number of housing units that are projected to be developed over the next 10 years (including the past five years) is 964 (383 units from previous table, 461 units from the proposed The Paseo, and 120 additional units built within the Residential District of the Core Sub-Area). It is expected that over the life of the Redevelopment Plan 1,864 housing units will be built (964 plus 600 units in the 55th Street Sub-Area and 300 units in the remainder of the Core Sub-Area). In addition, many dilapidated and rehabilitated units may be rehabilitated during the next 10 years and over the life of the plan.

- **Housing Unit Estimates for Very Low, Low, and Moderate Income Households Next 10 Years and Life of Plan**

A minimum of 112 units should be set-aside for very low income households, with an additional 168 units set-aside for low and moderate income households. Up to 50 percent of these numbers required under the law could be met by the Agency requiring restrictive covenants on units in the Project Area which are not now affordable.

It is projected that these housing unit numbers for very low, low- and moderate-income households would be achieved based upon the forecasted tax increment revenue. The actual number of units developed will depend on market conditions and be determined as specific projects are pursued. The housing set-aside funds that accrue to the Agency will be expended on anticipated residential projects.

- **Number of Very Low, Low-, and Moderate-Income Units Already Developed**

No units have been developed since the Redevelopment Plan has been established. The balance of the low and moderate housing set-aside fund has been insufficient to assist in development through the first 10 years of the Redevelopment Plan.

- **Number of Agency Developed Units including Very Low, Low-, and Moderate-Income Units**

The Agency does not expected to develop units itself, but will assist private entities and other public agencies with the development of housing.

C. Replacement of Dwelling Units Destroyed or Removed

The Redevelopment activities outlined in Section 5 of this Plan do not remove or destroy any housing units currently restricted to lower income families. Where Redevelopment activities are planned, the Redevelopment will destroy a small number of market-rate rental units and replace these units with a much greater number of market-rate and very low, low, and moderate income units. Therefore, it is expected that units removed or destroyed will be replaced to a much greater extent than required by California Community Redevelopment Law.

IX. SUMMARY

This Implementation Plan for the College Community Redevelopment Project Area sets forth the specific projects planned for the Project Area during the next five years, in accordance with the California Community Redevelopment Law.

Significant development activity is expected to occur through the course of this Plan. The majority of the proposed new developments are planned to occur in the Core Sub-Area. These proposed Redevelopment Projects would nearly build out the Core Sub-Area with the exception of numerous parcels along the south side of Montezuma Road east of College Avenue. The Alvarado Sub-Area will also be largely redeveloped through the course of this Plan. With the issuance of an RFP for the 55th Street Sub-Area, Agency staff intend to proactively initiate the Redevelopment of this Sub-Area as well.

The proposed projects listed in the Work Programs are the Agency's best estimate of project specific development. Through the course of this Plan, Agency staff will also consider any new development proposals that have merit and further the goals of the Redevelopment Plan.